

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RETAIL ACCESS OPTIMIZATION INITIATIVE, 2011

Docket No. N2011-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
TO NAPUS INTERROGATORIES
NAPUS/USPS-T1-42 THROUGH T1-47,
REDIRECTED FROM WITNESS BOLDT**

The United States Postal Service hereby provides institutional responses to the above-listed interrogatories of the National Association of Postmasters of the United States dated August 26, 2011, redirected from witness Boldt. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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REDIRECTED FROM WITNESS BOLDT

NAPUS/USPS-T1-42.

Please refer to NAPUS/USPS-T1-2. Could you please identify those 2,800 candidate post offices that serve communities that fall within the Postal Service's understanding of §101(b) of Title 39 (i.e., rural areas, communities and small towns where post office are not self-sustaining)?

RESPONSE:

In library reference USPS-LR-N2011-1/2 (tab "new_2hours"), the Postal Service identified all of the facilities embraced by its Request for an advisory opinion, including the "over 2800" Low Workload Post Offices with annual revenue less than \$27,500. (USPS-T-1 at 14-15.) Data for respective offices were later made available in library reference USPS-LR-N2011-1/NP3.

The Postal Service has not labeled specific Post Offices as falling within the ambit of 39 U.S.C. §101(b), because to a greater or lesser extent that section defines policy that applies to most offices. A large proportion of offices is not self-sustaining, which is no surprise given the nature of a network industry and the patterns by which mail is entered for delivery throughout the delivery network of 151 million plus delivery points. The availability of or access to postal services are not metered based upon whether an office is or is not self-sustaining.

Rather, most Post Offices offer the full range of products and services needed by individual customers. Indeed, proliferation of alternate access opportunities frees the Postal Service and its customers from measuring individual access to postal services exclusively by proximity to carrier delivery and brick/mortar facilities operated by postal employees.

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While those Post Offices open only two hours per weekday – since they are by definition the smallest in the system – can be viewed as plausible candidates for being subject to section 101(b), many of them do not fit fully within the description that section provides. Small offices quite commonly once served small communities, but were eventually surrounded by suburban growth. So size alone cannot define the applicability of section 101(b).

The Postal Service, however, has no specific legal requirement or business need for actually concluding that section 101(b) applies to a specific office.¹ It is one of four statutory considerations that must, in any event, be considered in the context of discontinuance studies. Title 39 U.S.C. § 404(d)(2)(A)(iii) requires the Postal Service to consider:

(iii) whether such closing or consolidation is consistent with the policy of the Government, as stated in section 101 (b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

in every discontinuance study. The Postal Service accordingly understands section 101(b) as illustrating broad policy embodying the breadth of its universal service obligation: every customer, including those in small, isolated towns, needs regular and effective access to the sending and receipt of mail, needs that define the minimum necessary access to postal service.

¹ If it did, then a regulatory system that defined specific criteria such a “rural”, “community” and “small towns” plus a parallel system to administer admission to and departure from qualification would also be necessary.

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NAPUS/USPS-T1-43.

Please refer to NAPUS/USPS-T1-6. Please identify those offices, if any, that as the result of DUO, were reduced to 2-hours or less of earned work credit?

RESPONSE:

As indicated in the cited response, DUO and Retail Access Optimization (RAO) have proceeded independently. The former focused upon cost savings and efficiency gains available through consolidation of delivery operations into fewer locations. RAO, of course, focuses upon opportunities to reduce redundancy in the availability of access to retail services. Accordingly, the two touch upon changes in the two different ways that individuals interact with the mail: the receipt of mail delivery, as opposed to the sending of mail and retail access. DUO was, moreover, a logical next step following the extensive route consolidations brought on by the downward trend in mail volume and, thanks to increased automation and delivery point sortation of mail, the increasing proportion of daily time carriers spend on the street. A total of only 67 offices implemented changes introduced by DUO before July 1, 2011. Of those, seven had at least three months of data that were used to define the scope of facilities encompassed by RAOI. Since the data used to select offices for RAOI used a rolling 12 months of data, that data would have had at most only a minor impact upon their selection.

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NAPUS/USPS-T1-44.

Please refer to NAPUS/USPS-T1-9. Does the USPS have a definition of “maximum degree of effective and regular service”? If, so please provide the definition.

RESPONSE:

No, the Postal Service does not have a specific definition of the quoted statutory language. Title 39, United States Code, contains a great many provisions applicable to the Postal Service and the circumstances under which postal services are provided to the wide range of personal and business interests served by the domestic and international service areas. By means of title 39, the legislative and executive branches of the government of these United States grants to the Postal Service broad authority over the mail, how it is collected, processed, transported, stored and delivered.

Statutory language often goes without specific definition. But it guides the development of regulations, management directives, policy memoranda, handbooks, and specific decisions by which statutory guidance mates with the real world of customer interactions and, under title 39, the collection, processing and delivery of all kinds of mail. A postal retail employee interacting with a postal customer relies upon specific regulations such as the *Domestic Mail Manual*, *Postal Operations Manual*, *Administrative Support Manual*, and a host of others that she has been trained to use. If a particular interaction presents a novel questions, the employee can also consult with a more experienced colleague or a supervisory.

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Statutory language is often broad and sweeping, and at the same time specific and contradictory. Section 101(a), for example, requires the Postal Service to “provide prompt, reliable and efficient services to patrons in all areas[.]” Then section 101(b) requires it to provide a “maximum degree of effective and regular service to rural areas, communities, and small towns where post offices are not self-sustaining.” Statutory language thus presents enigmas such as, how can “prompt, reliable and efficient services” be provided if some customers must also get a “maximum degree of effective and regular service”? The short answer is that the Postal Service is obliged to figure out how best to do both. And it does so by creating such things as implementing regulations, guidance and training for employees, customer assistance, a Consumer Advocate, and decision making mechanisms backed by rights of appeal.

The specific language this interrogatory quotes survives verbatim to Handbook PO-101, *Postal Service-Operated Retail Facilities Discontinuance Guide*, at 11 (Analyzing Service Alternatives; General, section 231). Its appearance in the guidance for employees who conduct discontinuance studies reflects how important the Handbook’s authors understood the statutory language to be. Title 39, like a lot of statutory language, is replete with provisions that appear to be in tension, or inconsistent with one another. See *also*, the response to NAPUS/USPS-T1-42. But that does not mean section 101(b) fails to provide specific guidance to the Postal Service; it becomes a focus of attention in every discontinuance study. A similar tension in title 39 is illustrated by the dual requirements that 1) “No post office shall be closed solely for operating at a

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deficit,” (39 U.S.C. § 101(b)), which stands juxtaposed with the requirement that
2) the Postal Service “shall consider ... the economic savings to the Postal
Service resulting from such closing or consolidation” (39 U.S.C.
§404(d)(2)(A)(iv)). The tension between sections 101(b) and 404(d)(2)(A)
provide grist for much of the discussion in respective discontinuance studies.

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NAPUS/USPS-T1-45.

Please refer to NAPUS/USPS-T1-22(e)(5). Please identify the candidate post offices, if any, that are PRS sites.

RESPONSE:

All sites are PRS sites.

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NAPUS/USPS-T1-46.

Please refer to NAPUS/USPS-T1-34(f). You imply that local management makes the determination that “alternative access channels exist.” Could you please provide material and/or written guidance that the USPS provides to local management in making that determination?

RESPONSE:

If this question relies upon the supposition that local management is able to define new “alternate access channels,” that would be incorrect. See PO-101, §§232-33, which identifies as alternate access points brick/mortar classified units, contractor operated facilities, rural and contract delivery service, and nonpersonnel units. See *also*, the “Post Office Locations” capability on [USPS.com](https://usps.com); once inside the tool, the upper left corner offers “Click in box to selection service”. Options available therein include, among others: APCs, alternate locations to buy stamps, P.O. Boxes, collection boxes, Approved Postal Providers, and Village Post Offices. Examples of what has been identified as nearby alternate access points in specific discontinuance studies can be found in the approximately 60 A-series dockets visible on the PRC's website for FY 2011.

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NAPUS/USPS-T1-47.

Please refer to NAPUS/USPS-T1-40. Please provide material and/or written guidance that the Postal Service may provide to local or district management in analyzing the roles that the post office “might be perceived by some to play in a community.”

RESPONSE:

See PO-101 §§ 321.2, 362.4, and Glossary at 55. As a practical matter, the possible effects on the community are the primary focus of customer and other stakeholder input collected via the community meeting, Dear Customer letter and accompanying questionnaire, Comments on a proposal, and general correspondence received. Moreover, the Postal Service regulations attempt to mitigate what tends most to concern customers, retention of the existing five-digit ZIP Code and town name in customer addresses. See PO-101 §§64, 233, 632.